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14 UNITED STATES DISTRICT COURT  
15 NORTHERN DISTRICT OF CALIFORNIA  
16 SAN JOSE DIVISION  
17

18 ACER, INC., ACER AMERICA  
19 CORPORATION and GATEWAY, INC.,

20 Plaintiffs,

21 vs.

22 TECHNOLOGY PROPERTIES  
23 LIMITED, PATRIOT SCIENTIFIC  
24 CORPORATION, and ALLIACENSE  
25 LIMITED,

26 Defendants.  
27  
28

Case No. 5:08-cv-00877 JF

**JOINT CASE MANAGEMENT  
STATEMENT AND [PROPOSED] ORDER**

Date: November 7, 2008  
Time: 10:30 a.m.  
Dept: Courtroom 3, 5th Floor  
Before: Honorable Jeremy Fogel

1 This Joint Case Management Statement and [Proposed] Order is submitted by the Parties  
 2 in the above captioned related actions. Pursuant to the Conference of Counsel conducted on  
 3 July 16, 2008 and subsequent discussions and in preparation for the Case Management  
 4 Conference currently set for November 7, 2008, Plaintiffs Acer, Inc. ("Acer"), Acer America  
 5 Corporation ("Acer America") and Gateway, Inc. ("Gateway") (collectively "Plaintiffs") and  
 6 Defendants Technology Properties Limited ("TPL"), Patriot Scientific Corporation ("Patriot")  
 7 and Alliacense Limited ("Alliacense") (collectively "Defendants") submit this Joint Case  
 8 Management Statement and [Proposed] Order.

9 **I. JURISDICTION AND SERVICE**

10 No dispute exists regarding personal jurisdiction. All parties have been served.  
 11 Defendants dispute this Court's subject matter jurisdiction over Plaintiffs' declaratory judgment  
 12 claims pursuant to 28 U.S.C. §§ 1331, 1338, 2001 and 2202, and moved for the dismissal of each  
 13 of the related actions under Fed. R. Civ. P. 12(b)(1). In the alternative, Defendants moved for a  
 14 change of venue under 28 U.S.C. 1404(a) to the United States District Court for the Eastern  
 15 District of Texas (where they subsequently initiated infringement actions against the Plaintiffs in  
 16 the present declaratory judgment actions concerning certain common patents to those at issue  
 17 here). Defendants' Motion to Dismiss on Grounds of Lack of Subject Matter Jurisdiction or, in  
 18 the Alternative, to Transfer Venue (the "Motion to Dismiss") was heard on September 19, 2008.  
 19 By Order dated October 21, 2008, the Court denied Defendants' Motion to Dismiss.

20 **II. FACTS AND THE PRINCIPAL FACTUAL ISSUES IN DISPUTE**

21 Plaintiffs Acer, Inc., Acer America Corporation and Gateway, Inc. (collectively, "Acer")  
 22 filed this declaratory judgment action alleging that their products do not infringe three of  
 23 Technology Properties Limited's ("TPL's") patents. TPL is a small-entity patent owner involved  
 24 for over twenty years with the development, manufacture and marketing of innovative high  
 25 technology products.<sup>1</sup> TPL holds patents on several different aspects of high speed computer  
 26

27 <sup>1</sup> Co-defendant Patriot Scientific Corporation ("Patriot") owns an interest in U.S. Patent  
 28 Nos. 5,440,749, 5,784,584, and 5,809,336 and 6,598,148. Alliacense Limited contends that it  
 does not own an interest in any of these patents and should not have been named in this action.

1 microprocessors. These patents include U.S. Patent Nos. 5,809,336 (“the ‘336 patent”),  
2 5,784,584 (“the ‘584 patent”), 5,440,749 (“the ‘749 patent”), 6,598,148 (“the ‘148 patent”) and  
3 5,530,890 (“the ‘890 patent”). These patents are part of the family of patents known as the  
4 Moore Microprocessor Portfolio patents, or MMP patents. Numerous major companies, such as  
5 Intel, Hewlett-Packard, and Nokia, have licensed the technology they disclose and claim.

6 Following a series of licensing discussions between the parties, Plaintiffs filed their  
7 declaratory judgment action on February 8, 2008. Through their complaint, Plaintiffs assert that  
8 they did not, have not, and do not infringe any valid claims of the ‘336, 749 and ‘584 patents  
9 controlled, owned, and licensed by the Defendants. Plaintiffs further contend that for months  
10 prior to the commencement of the related actions, Defendants contacted each of them claiming  
11 that products made, used, and/or offered for sale by the Plaintiffs infringe one of more claims of  
12 certain patents owned, controlled and licensed by the Defendants. Plaintiffs seek declaratory  
13 judgments of non-infringement and/or invalidity as to the ‘749 Patent, the ‘336 Patent, and the  
14 ‘584 Patent.

15 As explained in Section V., *infra*, the ‘148 patent and the ‘890 patent have also arisen as  
16 part of the dispute in light of infringement actions filed by Defendants in the United States  
17 District Court for the Eastern District of Texas after commencement of this action. Plaintiffs  
18 have sought a stipulation from the declaratory judgment Defendants for leave to file an Amended  
19 Complaint that will include these two additional patents and to dismiss the related cases in the  
20 United States District Court for the Eastern District of Texas. Defendants are currently  
21 considering Plaintiffs’ request for a stipulation.

### 22 **III. THE PRINCIPAL LEGAL ISSUES IN DISPUTE**

23 The principal legal issues that the parties dispute are:

24 The meaning of various claim terms of the patents-in-suit;

25 Whether the Plaintiffs infringe any of the patents-in-suit;

26 Whether the patents-in-suit are invalid.

1 **IV. MOTIONS AND HEARINGS**

2 **Prior Motions:** The Court denied the Defendants' Motion to Dismiss on October 21,  
3 2008.

4 **Anticipated Motions:** Plaintiffs anticipate filing one or more motions regarding  
5 summary judgment and/or discovery and, if necessary, to amend the pleadings. Defendants also  
6 anticipate filing one or more motions regarding summary judgment and/or discovery. In addition,  
7 the parties anticipate motion practice and briefing concerning claim construction.

8 **V. AMENDMENT OF PLEADINGS**

9 As noted above, Plaintiffs have sought a stipulation from the declaratory judgment  
10 Defendants for leave to file an Amended Complaint that will include two additional patents that  
11 Defendants have asserted in their action pending in the Eastern District of Texas, i.e., the '148  
12 and '890 patents. If Defendants do not stipulate, Plaintiffs will move to so amend.

13 The Defendants have not filed any answers in these actions.

14 **VI. EVIDENCE PRESERVATION**

15 All parties have taken appropriate steps to preserve any and all evidence that may be of  
16 relevance to the issues in the present action, including electronic evidence. Plaintiffs propose that  
17 voicemail messages that are not preserved as emails need not be preserved. Defendants are not  
18 prepared at this time to agree to that proposal and believe that all relevant information must be  
19 preserved.

20 **VII. DISCLOSURES**

21 The Parties have agreed to exchange their Fed. R. Civ. P. 26(a)(1) Initial Disclosures  
22 within two weeks (14 days) of this Court's November 7, 2008 Case Management Conference.

23 **VIII. DISCOVERY**

24 No discovery has been served thus far. The parties conducted their Rule 26(f) Conference  
25 of Parties on July 16, 2008. Pursuant to Fed. R. Civ. P. 26(f), the parties submit the following  
26 discovery plan:

27 (1) **Changes to disclosures.** The parties do not expect that any changes will be made  
28 in form or requirement of the parties' Rule 26(a) disclosures.

1           (2)     **Subjects on which discovery may be needed.** Essential information for Plaintiffs  
2 to prove invalidity and non-infringement of the patents-in-suit. Plaintiffs expect Defendants to  
3 counter-claim for patent infringement and will need the Defendants to identify all accused  
4 products and how such products allegedly infringe the patents-in-suit.

5           (3)     **Issues relating to disclosure or discovery of electronically stored information.**  
6 The parties anticipate that certain discovery may be produced in electronic form and have agreed  
7 to meet and confer, as necessary, to resolve any issues concerning electronic discovery as they  
8 arise. The parties agree to meet and confer regarding the production format for electronic  
9 material.

10          (4)     **Issues relating to claims of privilege or of protection as trial-preparation**  
11 **material.** The parties will meet and confer as necessary to discuss this when the issue arises.

12          (5)     **Changes in limitations on discovery.** Each side shall be entitled to conduct no  
13 more than twenty (25) depositions, excluding expert witnesses. Each side shall be entitled to  
14 propound no more than twenty five (25) interrogatories; provided, however, that the parties  
15 reserve the right to approach the Court, upon a showing of good cause, for leave to serve  
16 additional interrogatories. Service of discovery requests and discovery responses among the  
17 Parties shall be made by electronic mail, with copies sent by U.S. Mail. Deadlines for discovery  
18 responses shall be determined by reference to the e-mail transmission date.

19          (6)     **Production of English language documents.** The parties will produce English  
20 language versions of all documents produced, if available. The parties further agree to meet and  
21 confer to establish a protocol concerning translations of foreign language documents, with  
22 consideration toward minimizing costs of translation and focusing any disputes as to translations.

23          (7)     **Orders that should be entered by the court.** The parties contemplate that a  
24 protective order governing the treatment of confidential information will be required.

25          (8)     **Production of Foreign Witnesses.** Defendants contend that, having selected the  
26 forum in the Northern District of California, Plaintiffs should be required to produce their  
27 employees for deposition and trial in this District. Plaintiffs contend that foreign witnesses  
28 should be deposed where they reside or work. In this case, for example, Plaintiff Acer, Inc. is a

1 Taiwanese corporation with its principle place of business in Taipei, Taiwan. Plaintiffs contend  
2 that depositions of Acer, Inc. and its employees occur in Taiwan. The parties anticipate that  
3 motion practice may be required to resolve this issue before depositions of Acer witnesses are  
4 conducted.

5 **IX. CLASS ACTIONS**

6 This action is not a class action.

7 **X. RELATED CASES**

8 The HTC Action (Case No. 5:08-cv-00882) and the ASUSTeK Action (Case No. 5:08-cv-  
9 00884) have each been related to the Acer/Gateway Action 5:08-cv-877. See related case order  
10 of this Court dated April 22, 2008.

11 **XI. RELIEF**

12 Plaintiffs seek a declaratory judgment against Defendants for non-infringement and  
13 invalidity as to the patents-in-suit under 28 U.S.C. §§ 1331, 1338, 2001 and 2202 under Fed. R.  
14 Civ. P. 12(b)(1).

15 **XII. SETTLEMENT AND ADR**

16 The parties engaged in mediation sessions on October 2 and October 15, 2008, and have  
17 been unable to reach an agreement.

18 **XIII. CONSENT TO MAGISTRATE JUDGE FOR ALL PURPOSES**

19 The parties do not consent to have a magistrate judge conduct all further proceedings  
20 including trial and entry of judgment.

21 **XIV. OTHER REFERENCES**

22 This case is not suitable for reference to binding arbitration, a special master, or the  
23 Judicial Panel on Multidistrict Litigation.

24 **XV. NARROWING OF ISSUES**

25 The parties will most likely file one or more dispositive motions seeking to narrow the  
26 issues in this case. Both parties anticipate filing one or more motions for summary judgment.

27 **XVI. EXPEDITED SCHEDULE**

28 Plaintiffs and Defendants agree that this case is not suitable for expedited handling.

**XVII. SCHEDULING**

The parties propose that the Court adopt the following schedule based on the Federal Rules of Civil Procedure, Local Rules, Patent Local Rules, and the Case Management Conference held on November 7, 2008. The Court will hold a Status Conference after the Markman Ruling to set dates regarding the close of fact discovery, expert disclosures, close of expert discovery, deadline to file dispositive motions, mediation and all other pre-trial dates. See Docket No. 32.

Plaintiffs in this case understand that there are related cases in which there is an additional portfolio of patents known as the “Core Flash” patents at issue. Plaintiffs are informed that there is a dispute among the parties in those related cases as to the case management schedule due to the addition of the “Core Flash” patent portfolio that is at issue in those related cases, but not in this case. Plaintiffs contend that should the cases remain related and are consolidated, there should be a common schedule for all the parties. To the extent that the schedule below differs from what is proposed in those related cases, Plaintiffs defer to the schedule presented by the Plaintiffs in the related actions.

Defendants contend that the “Core Flash” patent portfolio patents have not been asserted in this case, that the related cases have not been consolidated with this action and that, given the separate and different technologies, the assertion of the “Core Flash” patents in the related cases should not delay resolution of this action.

The parties’ proposed schedule is below:

<b>EVENT</b>	<b>DATE / RULE (if applicable)</b>
Rule 26(f) conference	July 16, 2008 F.R.C.P 26(f)
Rule 26(a) Initial Disclosures	November 21, 2008 F.R.C.P. 26(a)
Due Date for Defendants’ Answers and/or Counterclaims	November 21, 2008
Last Day to Serve Initial Disclosure of Asserted Claims and Preliminary Infringement Contentions (and related documents)	December 5, 2008 (P.L.R. 3-1, 3-2)

EVENT	DATE / RULE (if applicable)
Last Day to Serve Preliminary Invalidity Contentions (and related documents)	January 20, 2009 (P.L.R. 3-3, 3-4)
Last Day to Exchange List of "Proposed Terms and Claim Elements for Construction"	February 3, 2009 (P.L.R. 4-1)
Last Day to Exchange "Preliminary Claim Constructions and Extrinsic Evidence"	February 23, 2009 (P.L.R. 4-2)
Last Day to File Joint Claim Construction and Prehearing Statement	April 24, 2009 (P.L.R. 4-3)
Claim Construction Discovery Closes	May 25, 2009 (P.L.R. 4-4)
Defendants' Opening Claim Construction Brief	June 8, 2009 (P.L.R. 4-5a)
Plaintiffs' Responsive Claim Construction Brief	June 22, 2009 (P.L.R. 4-5b)
Defendants' Reply Claim Construction Brief	June 29, 2009 (P.L.R. 4-5c)
Patent Technology Tutorial*	*If requested by the Court* July 20, 2009 (or at the Court's convenience)
Claim Construction Hearing	[To Be Determined by the Court's Schedule]
Status Conference	Three weeks after Claim Construction Hearing
Final Infringement Contentions	Per P.L.R. 3-6 (30 days after claim construction ruling)
Final Invalidity Contentions	Per P.L.R. 3-6 (50 days after claim construction ruling)
Defendants to serve willfulness documents; opinion of counsel	Per P.L.R. 3-8 (50 days after claim construction ruling)
Close of Fact Discovery	6 months after final Invalidity Contentions
Initial Expert Reports	30 days after Close of Fact Discovery
Rebuttal Expert Reports	30 days after Initial Expert Reports
Close of Expert Discovery	2 weeks after Rebuttal Expert Reports
Trial	TBD



**XVIII. TRIAL**

The parties request that trial be set to commence in December 2009 or January 2010, as the court's schedule permits. The case will be tried to a jury. The parties expect trial will last 10-14 court days.

**XIX. DISCLOSURE OF NON-PARTY INTERESTED ENTITIES OR PERSONS**

Plaintiffs filed its "Certification of Interested Entities or Persons" on April 23, 2008 and state that aside from the named parties, there is no such interest to report.

Dated: November 5, 2008

K&L GATES LLP

By: /s/ Timothy Paar Walker  
Timothy Paar Walker

Attorneys for Plaintiffs  
ACER, INC., ACER AMERICA  
CORPORATION AND GATEWAY, INC.

Dated: November 5, 2008

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Dated: November 5, 2008

KIRBY NOONAN LANCE & HOGE

By: /s/ Charles T. Hoge  
Charles T. Hoge

Attorneys for Defendant  
PATRIOT SCIENTIFIC CORPORATION

Pursuant to the above Joint Case Management Statement, IT IS SO ORDERED.

Dated: \_\_\_\_\_, 2008

\_\_\_\_\_  
Honorable Jeremy Fogel  
United States District Judge